



May 8, 2003

The Honorable William M. Thomas
United States House of Representatives
Washington, DC 20515

Dear Representative Thomas:

On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I want to express our strong support for H.R. 2, the Jobs and Growth Tax Act of 2003.

We are pleased to see that H.R. 2 increases the Section 179 expensing limit from \$25,000 to \$100,000 immediately and increases the investment limit from \$200,000 to \$400,000. These changes will not only reduce the cost of capital investments for small business owners, but they will also eliminate depreciation record-keeping requirements. In addition, the bill provides stability for small business owners by indexing the limits for inflation. Allowing small business owners to immediately expense critical investments is a key component of an expanding economy, since this money will be used immediately to grow businesses and create new jobs.

Accelerating the income-tax relief enacted two years ago will give entrepreneurs more money to create new jobs, expand benefits or provide overdue pay raises to their employees. Approximately 85 percent of small businesses file their tax returns as individuals – so any tax refunds and increased earnings will go back into their business.

We are also supportive of the significant reduction in capital gains taxes and dividend taxes. The result of these provisions will be improved capital formation, increased investment and an overall rise in productivity. Small businesses would benefit from these improvements to the overall health of the economy.

H.R. 2 will provide the stimulus that our economy needs to get back on track. We look forward to working with you as this legislation moves through the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Danner". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dan Danner
Senior Vice President
Public Policy